

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Appropriations, to which was referred House Bill No. 1029, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1       Page 1, delete lines 1 through 17.
- 2       Delete page 2.
- 3       Page 3, delete lines 1 through 7, begin a new paragraph and insert:
- 4       "SECTION 1. IC 5-1.5-4-1 IS AMENDED TO READ AS
- 5       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The bank
- 6       may issue its bonds or notes in principal amounts that it considers
- 7       necessary to provide funds for any purposes under this article,
- 8       including:
- 9           (1) the purchase or acquisition of securities;
- 10          (2) the making of loans to or agreements with qualified entities
- 11          through the purchase of securities;
- 12          (3) the payment, funding, or refunding of the principal of, or
- 13          interest or redemption premiums on, bonds or notes issued by it
- 14          whether the bonds or notes or interest to be paid, funded, or
- 15          refunded have or have not become due; ~~and~~
- 16          (4) the establishment or increase of reserves to secure or to pay
- 17          bonds or notes or interest on bonds or notes and all other costs or
- 18          expenses of the bank incident to and necessary or convenient to
- 19          carry out its corporate purposes and powers; **and**
- 20          **(5) the acquisition of school buses to be leased or sold to**

1           **school corporations (as defined in IC 36-1-2-17).**

2           (b) Except as otherwise provided in this article or by the board, every  
3           issue of bonds or notes shall be general obligations of the bank payable  
4           out of the revenues or funds of the bank, subject only to agreements  
5           with the holders of a particular series of bonds or notes pledging a  
6           particular revenue or fund. Bonds or notes may be additionally secured  
7           by a pledge of a grant or contributions from the United States, a  
8           qualified entity, or a person or a pledge of income or revenues, funds,  
9           or money of the bank from any source.

10          (c) Notwithstanding subsections (a) and (b), the total amount of  
11          bank bonds and notes outstanding at any one (1) time, except:

12               (1) bonds or notes issued to fund or refund bonds or notes; and  
13               (2) bonds or notes issued for the purpose of purchasing an  
14               agreement executed by a qualified entity under IC 21-1-5;  
15          may not exceed one billion dollars (\$1,000,000,000) for qualified  
16          entities described in IC 5-1.5-1-8(1) through IC 5-1.5-1-8(4) and  
17          IC 5-1.5-1-8(8) through IC 5-1.5-1-8(11).

18          (d) Notwithstanding subsections (a) and (b), the total amount of  
19          bank bonds and notes outstanding at any one (1) time, except bonds or  
20          notes issued to fund or refund bonds or notes, may not exceed two  
21          hundred million dollars (\$200,000,000) for qualified entities described  
22          in IC 5-1.5-1-8(5) through IC 5-1.5-1-8(6).

23          (e) Notwithstanding subsections (a) and (b), the total amount of  
24          bank bonds and notes outstanding at any one (1) time, except bonds or  
25          notes issued to fund or refund bonds or notes, may not exceed thirty  
26          million dollars (\$30,000,000) for qualified entities described in  
27          IC 5-1.5-1-8(7).

28          (f) The limitations contained in subsections (c), (d), and (e) do not  
29          apply to bonds, notes, or other obligations of the bank if:

30               (1) the bonds, notes, or other obligations are not secured by a  
31               reserve fund under IC 5-1.5-5; or  
32               (2) funds and investments, and the anticipated earned interest on  
33               those funds and investments, are irrevocably set aside in amounts  
34               sufficient to pay the principal, interest, and premium on the bonds,  
35               notes, or obligations at their respective maturities or on the date or  
36               dates fixed for redemption.

37          SECTION 2. IC 5-1.5-8-3 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Every qualified entity is authorized and empowered to contract with the bank with respect to the loan or purchase of its securities, and the contracts shall contain the terms and conditions of the loan or purchase and may be in any form agreed to by the bank and the qualified entity, including a customary form of bond ordinance or resolution. Every qualified entity is authorized and empowered to pay fees and charges required to be paid to the bank for its services.

(b) Notwithstanding any statute applicable to or constituting any limitation on the sale of bonds or notes or on entry into an agreement, any qualified entity may sell its securities to the bank, without limitation as to denomination, at a private sale at such price or prices as may be determined by the bank and the qualified entity.

(c) Notwithstanding any law that applies to or constitutes a limitation on the leasing or disposition of materials or other property, **and subject to subsection (d)**, any qualified entity, or any purchasing agency (as defined in IC 5-22-2-25) of a qualified entity, may:

(1) assign or sell a lease **or purchase contract** for property to the bank; ~~or~~

(2) enter into a lease **or purchase contract** for property with the bank; **or**

**(3) buy property from or sell property to the bank;**

at any price and under any other terms and conditions as may be determined by the bank and the qualified entity. ~~However,~~

**(d) This subsection does not apply to a school corporation that buys or leases a school bus from the bank under IC 5-1.5-4-1(a)(5).** Before ~~making taking~~ an assignment or sale of a lease or entering into a lease action described under this subsection (c)(1) through (c)(3) that would otherwise be subject to IC 5-22, ~~the~~ a qualified entity or its purchasing agent must obtain or cause to be obtained a purchase price for the property to be subject to **the sale, purchase contract, or the** lease from the lowest responsible and responsive bidder in accordance with the requirements for the purchase of supplies under IC 5-22."

Page 3, line 8, delete "IC 6-3-2-20" and insert "IC 6-3-3-12".

Page 3, line 10, delete "20. (a) Each taxable year, an individual" and insert **"12. (a) As used in this section, "college choice 529 education**

1       savings plan" refers to a college choice 529 investment plan  
2       established under IC 21-9.

3       (b) As used in this section, "taxpayer" means:

4               (1) an individual filing a single return; or

5               (2) a married couple filing a joint return.

6       (c) A taxpayer is entitled to a credit against the taxpayer's  
7       adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7  
8       for a taxable year equal to the least of the following:".

9       Page 3, delete lines 11 through 16.

10      Page 3, line 17, after "(1)" insert "**Twenty percent (20%) of**".

11      Page 3, line 17, after "amount of" delete "the" and insert "**each**".

12      Page 3, line 17, delete "individual" and insert "**taxpayer to a college**  
13      **choice 529 education savings plan**".

14      Page 3, line 18, delete "; or" and insert ".".

15      Page 3, line 19, delete "two" and insert "**One**".

16      Page 3, line 19, delete "(\$2,000)." and insert "**(\$1,000)**".

17               **(3) The amount of the taxpayer's adjusted gross income tax**  
18               **imposed by IC 6-3-1 through IC 6-3-7 for the taxable year,**  
19               **reduced by the sum of all credits (as determined without**  
20               **regard to this section) allowed by IC 6-3-1 through IC 6-3-7.**

21       (d) A taxpayer is not entitled to a carryback, carryover, or  
22       refund of an unused credit.

23       (e) A taxpayer may not sell, assign, convey, or otherwise  
24       transfer the tax credit provided by this section.

25       (f) To receive the credit provided by this section, a taxpayer  
26       must claim the credit on the taxpayer's annual state tax return or  
27       returns in the manner prescribed by the department. The taxpayer  
28       shall submit to the department all information that the department  
29       determines is necessary for the calculation of the credit provided  
30       by this section.".

31      Page 3, delete lines 20 through 42.

32      Delete pages 4 through 14.

33      Page 15, delete lines 1 through 6.

- 1 Page 15, line 7, delete "IC 6-3-2-20," and insert "**IC 6-3-3-12**,".
- 2 Page 15, delete lines 10 through 22.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to HB 1029 as reprinted February 2, 2006.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 9, Nays 3.

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**Meeks**

**Chairperson**